

AUDITING PROCEDURES REPORT

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Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <u>Argyle Township</u>	County <u>Sanilac</u>
Audit Date <u>3/31/05</u>	Opinion Date <u>June 16, 2005</u>	Date Accountant Report Submitted to State: <u>July 14, 2005</u>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) <u>Anderson, Tuckey, Bernhardt, + Doran, P.C.</u>			
Street Address <u>715 E. Frank Street</u>	City <u>Caro</u>	State <u>MI</u>	ZIP <u>48723</u>
Accountant Signature <u>Shawn R. Anderson</u>			

**TOWNSHIP OF ARGYLE,
SANILAC COUNTY**
Argyle, Michigan

Report on Financial Statements
(with additional information)
Year Ended March 31, 2005

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June 16, 2005

INDEPENDENT AUDITOR'S REPORT

Township of Argyle
Sanilac County
Carsonville, Michigan 48419

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Township of Argyle as of and for the year ended March 31, 2005, which collectively comprise the Township's basic financial statements required by accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Township of Argyle's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Management has not presented government-wide financial statements to display the financial position and changes in the financial position of its governmental activities. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements for the Township of Argyle's governmental activities are not reasonably determinable.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Argyle as of March 31, 2005, or changes in its financial position or cash flows where applicable, for the year then ended.

Our audit was made for the purpose of forming opinions on the financial statements taken as a whole. The supplemental financial information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of Argyle Township. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Anderson, Tuckey, Bernhardt & Doran, P.C.

ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Basic Financial Statements

TOWNSHIP OF ARGYLE, SANILAC COUNTY
COMBINED BALANCE SHEET -
ALL FUND TYPES AND ACCOUNT GROUPS
March 31, 2005

	GOVERNMENTAL FUND TYPES		FIDUCIARY FUND TYPE
	GENERAL	SPECIAL REVENUE	CURRENT TAX COLLECTION FUND
<u>ASSETS</u>			
Cash	\$ 137,182		\$ 10
Certificate of Deposit	58,959		
Taxes Receivable			46,018
Due from other funds	3,793	\$ 3,464	
Due from other units			
Fixed Assets			
TOTAL ASSETS	\$ 199,934	\$ 3,464	\$ 46,028
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Due to other funds			\$ 7,257
Due to other governmental units			38,771
TOTAL LIABILITIES	-	-	46,028
FUND EQUITY:			
Investment in general fixed assets			
Fund Balance - reserved for fire	\$ 34,469		
Fund Balance - undesignated	165,465	\$ 3,464	
TOTAL FUND BALANCE	199,934	3,464	-
TOTAL LIABILITIES & FUND EQUITY	\$ 199,934	\$ 3,464	\$ 46,028

The accompanying notes are an integral part of the financial statements.

ACCOUNT GROUPS	TOTALS (MEMORANDUM ONLY)
GENERAL FIXED ASSETS	
	\$ 137,192
	58,959
	46,018
	7,257
	-
<u>\$ 272,565</u>	<u>272,565</u>
<u>\$ 272,565</u>	<u>\$ 521,991</u>
	\$ 7,257
	38,771
<u>-</u>	<u>46,028</u>
\$ 272,565	272,565
	34,469
	168,929
<u>272,565</u>	<u>475,963</u>
<u>\$ 272,565</u>	<u>\$ 521,991</u>

TOWNSHIP OF ARGYLE, SANILAC COUNTY
COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED MARCH 31, 2005

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
REVENUE:			
Taxes	\$ 39,459	\$ 35,747	\$ 75,206
Licenses & permits	1,412		1,412
State revenue sharing	56,085		56,085
State revenue sharing - metro	3,620		3,620
Charges for services	5,650	-	
Other revenue	11,415	-	11,415
	<u>117,641</u>	<u>35,747</u>	<u>153,388</u>
TOTAL REVENUE			
	<u>117,641</u>	<u>35,747</u>	<u>153,388</u>
EXPENDITURES:			
Legislative	2,070		2,070
Executive	6,000		6,000
Clerk	9,455		9,455
Treasurer	5,500		5,500
Election	1,430		1,430
Assessor fees	1,364		1,364
Township hall & grounds	8,730		8,730
Planning & Zoning	5,499		5,499
Cemetery	8,151		8,151
Public works	16,233	36,185	52,418
Other expenditures	36,841		36,841
	<u>101,273</u>	<u>36,185</u>	<u>137,458</u>
TOTAL EXPENDITURES			
	<u>101,273</u>	<u>36,185</u>	<u>137,458</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>16,368</u>	<u>(438)</u>	<u>15,930</u>
FUND BALANCE - BEGINNING OF YEAR	<u>183,566</u>	<u>3,902</u>	<u>187,468</u>
FUND BALANCE - END OF YEAR	<u>\$ 199,934</u>	<u>\$ 3,464</u>	<u>\$ 203,398</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF ARGYLE, SANILAC COUNTY
COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE - BUDGET (GAAP BASIS) - AND ACTUAL
GENERAL AND SPECIAL REVENUE FUND TYPES
FOR THE YEAR ENDED MARCH 31, 2005

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
REVENUE:			
Taxes	\$ 35,622	\$ 39,459	\$ 3,837
Licenses & permits	220	1,412	1,192
State revenue sharing	46,380	56,085	9,705
State revenue sharing - Metro	3,620	3,620	-
Charges for services	2,250	5,650	3,400
Other revenue	1,860	11,415	9,555
TOTAL REVENUE	89,952	117,641	27,689
EXPENDITURES:			
Legislative	3,950	2,070	1,880
Executive	6,000	6,000	-
Clerk	9,150	9,455	(305)
Treasurer	5,500	5,500	-
Election	2,000	1,430	570
Assessor fees	1,800	1,364	436
Township hall & grounds	12,600	8,730	3,870
Planning & Zoning	4,000	5,499	(1,499)
Cemetery	12,624	8,151	4,473
Public works	49,500	16,233	33,267
Other expenditures	23,650	36,841	(13,191)
TOTAL EXPENDITURES	130,774	101,273	29,501
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(40,822)	16,368	57,190
FUND BALANCE - BEGINNING OF YEAR	183,566	183,566	-
FUND BALANCE - END OF YEAR	\$ 142,744	\$ 199,934	\$ 57,190

The accompanying notes are an integral part of the financial statements.

SPECIAL REVENUE FUNDS		
BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)
\$ 34,500	\$ 35,747	\$ 1,247
		-
		-
		-
		-
		-
		-
34,500	35,747	1,247

		-
		-
		-
		-
		-
		-
		-
		-
		-
		-
35,000	36,185	(1,185)
		-
35,000	36,185	(1,185)
(500)	(438)	62
3,902	3,902	-
\$ 3,402	\$ 3,464	\$ 62

TOTALS		
BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)
\$ 70,122	\$ 75,206	\$ 5,084
220	1,412	1,192
46,380	56,085	9,705
3,620	3,620	-
2,250	5,650	3,400
1,860	11,415	9,555
124,452	153,388	28,936
3,950	2,070	1,880
6,000	6,000	-
9,150	9,455	(305)
5,500	5,500	-
2,000	1,430	570
1,800	1,364	436
12,600	8,730	3,870
4,000	5,499	(1,499)
12,624	8,151	4,473
84,500	52,418	32,082
23,650	36,841	(13,191)
165,774	137,458	28,316
(41,322)	15,930	57,252
187,468	187,468	-
\$ 146,146	\$ 203,398	\$ 57,252

TOWNSHIP OF ARGYLE, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

DESCRIPTION OF TOWNSHIP OPERATIONS AND FUND TYPES:

The Township of Argyle covers an area of approximately 36 square miles within Sanilac County. The Township operates under an elected Board of Trustees and provides services to its more than 800 residents in many areas including law enforcement, administration of justice, community enrichment and development and human services.

The financial statements of the Township of Argyle have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

REPORTING ENTITY:

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP, currently GASB Statement #14, the Financial Reporting Entity.

Based upon the application of these criteria, the general purpose financial statements of the Township of Argyle contain all the funds and account groups controlled by the Township Board of Trustees as no other entity meets the criteria to be considered a blended component unit or a discretely presented component of the Township nor is the Township a component unit of another entity.

FUND ACCOUNTING:

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government.

Account groups are used to account for fixed assets and long-term liabilities that are not reported in the respective governmental funds.

TOWNSHIP OF ARGYLE, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

BASIS OF ACCOUNTING:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

BASIS OF ACCOUNTING (Continued):

All proprietary funds and nonexpendable trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the balance sheet. Fund equity (i.e. net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increased (i.e. revenues) and decreases (i.e. expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used to revenue recognition for all other governmental fund revenues susceptible to accrual. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Those revenues susceptible to accrual are property taxes, federal and state grants, special assessments, licenses, interest revenue and charges for services. Fines, permits and sales tax and other state revenues are not susceptible to accrual because generally they are not measurable until received in cash.

BUDGETS AND BUDGETARY ACCOUNTING:

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year-end.

Encumbrances represent commitments related to unperformed contracts for goods or services. The Township does not utilize encumbrance accounting.

CASH AND INVESTMENTS:

Cash includes amounts in petty cash and demand deposits. Investments included instruments allowed by state statute subsequently described. Investments are carried at amortized cost or fair value. The Township's deposits and investments are in accordance with statutory authority.

TOWNSHIP OF ARGYLE, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

CASH AND INVESTMENTS (Continued):

State statutes authorize the Township to invest in bonds, securities, and other direct and certain indirect obligations of the U.S. Treasury, which include securities issued or guaranteed by the Government National Mortgage Association; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; and in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase and not totaling more than 50% of any fund at any time. The Township is also authorized to invest in U.S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

SHORT-TERM INTERFUND RECEIVABLES/PAYABLES:

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

RECEIVABLES:

Receivables consist primarily of amounts for taxes and customer charges. No allowance for doubtful accounts is considered necessary and credit risk is minimal because of the large number of customers and the authority of the Township to add receivables to the tax rolls which are secured by the underlying property.

FIXED ASSETS:

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued to cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are value at their estimated fair market value on the date received. Fixed assets purchased within the proprietary funds and the non-expendable trust fund are reported as assets within those funds and accordingly, are included on their balance sheet.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government. Primarily because of this policy, total expenditures for capital improvements in the governmental funds do not equal total additions to the general fixed asset account group.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment and vehicles in the proprietary fund types is computed over the estimated useful lives using the straight-line method.

LONG-TERM OBLIGATIONS:

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

TOWNSHIP OF ARGYLE, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

INTERFUND TRANSACTIONS:

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-reoccurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

MEMORANDUM ONLY - TOTAL COLUMNS:

The total columns on the combined statements are captioned memorandum only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data

ESTIMATES:

The preparation of financial statements in conformity with the U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CHANGES IN GENERAL FIXED ASSETS:

A summary of changes in general fixed assets follows:

	<u>BALANCE</u> <u>MARCH 31,</u> <u>2004</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE</u> <u>MARCH 31,</u> <u>2005</u>
GENERAL GOVERNMENT:				
Fire Equipment	\$115,036	\$35,000		\$150,036
Buildings	<u>122,530</u>	<u> </u>	<u> </u>	<u>122,530</u>
TOTAL GENERAL FIXED ASSETS	<u>\$203,970</u>	<u>\$35,000</u>	<u>None</u>	<u>\$272,566</u>

NOTE 3 - CASH AND INVESTMENTS:

Cash and investments are held separately by each of the Township's funds.

DEPOSITS:

At year-end, the carrying amount of the Township's deposits was \$196,151 and the bank balance was \$198,591, \$193,953 of which was covered by federal depository insurance.

TOWNSHIP OF ARGYLE, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005

NOTE 3 - LEGAL COMPLIANCE - BUDGETS (Continued):

INVESTMENTS:

The Township's investments are categorized to give an indication of the level of risk assumed by the Township at year-end. Category 1 includes investments that are insured or registered, or securities held by the Township's or the Township's agent in the Township's name. Category 2 includes investments that are uninsured and unregistered, with securities held by the counter-part's trust department or its agent in the Township's name. Category 3 includes investments that are uninsured and unregistered, with the securities held by the counterparty, or by its trust department or its agent but not in the Township's name. At March 31, 2005, the Township had no Category 1, 2 or 3 investments.

The Township's cash, cash equivalents, investments and restricted assets at March 31, 2005 are composed of the following:

	<u>CASH AND CASH EQUIVALENTS</u>	<u>INVESTMENTS</u>	<u>RESTRICTED ASSETS</u>
General Fund:			
Deposits	\$163,464		\$32,687
Other Funds:			
Deposits	_____	_____	_____
TOTAL	<u>\$163,464</u>	<u>None</u>	<u>\$32,687</u>

NOTE 4 - LEGAL COMPLIANCE - BUDGETS:

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1. On or prior to April 1 of each year, a proposed budget is submitted to the Board of Trustees for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted through passage of a resolution.
4. Any revisions of the budget must be approved by the Board of Trustees.
5. Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds.
6. Budgets for general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended by the Board of Trustees during the fiscal year. Individual amendments were not material in relation to the original appropriations which were amended.
7. The budget is prepared by fund and function and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Expenditures may not exceed budget at the function level.
8. Other expenditures exceeded their budgeted expenditures by \$13,191 respectively. This is a violation of the PA 621 budget act.

TOWNSHIP OF ARGYLE, SANILAC COUNTY
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005

NOTE 5 - DUE TO AND FROM OTHER FUNDS:

Due to and from other funds balances at March 31, 2005 are as follows:

<u>FUND</u>	<u>DUE FROM OTHER FUNDS</u>	<u>DUE TO OTHER FUNDS</u>
General Fund	\$3,793	
Special Revenue Fund	3,464	
Trust and agency: Current Tax Collection Fund		\$7,257
TOTAL	<u>\$7,257</u>	<u>\$7,257</u>

NOTE 6 - PROPERTY TAX REVENUE:

Property taxes become an enforceable lien on the property as of December 1. Taxes are levied on December 1 and are due in February of the following year. The Township bills and collects its own property taxes and also taxes for the county, intermediate school district, state education fund and school districts. All tax collections are accounted for in the tax collection fund, an agency fund. Township tax revenues are recognized in the fiscal year that includes the December 1 levy date. The Township levied .8667 mills for operations, 1.9435 mills for roads, and 1.0000 mills for fire on a taxable value of \$18,570,248.

NOTE 7 - RISK MANAGEMENT:

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Township carries commercial insurance to cover any losses that may result from the above-described activities. The Township did not have any losses in the three prior fiscal years.

NOTE 8 - GASB 34:

The Township chose not to adopt GASB 34, which is required by Generally Accepted Accounting Principals (GAAP). This departure from GAAP is also noted in the audit report letter.

NOTE 9 - SUBSEQUENT EVENT

The Township has approved the purchase of a fire tanker truck at a price of \$152,000 of which they will receive \$110,000 federal grant.

Supplemental Financial Information

TOWNSHIP OF ARGYLE, SANILAC COUNTY
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED MARCH 31, 2005

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE			
Current property taxes	\$ 33,622	\$ 34,454	\$ 832
Tax collection fees	2,000	5,005	3,005
Total taxes	35,622	39,459	3,837
Licenses & permits	220	1,412	1,192
State revenue sharing	46,380	56,085	9,705
State revenue sharing - metro	3,620	3,620	-
Services:			
Fire	2,250	5,250	3,000
Cemetery	-	400	400
Total services	2,250	5,650	3,400
Other Revenue:			
Interest	1,200	10,132	8,932
Other	660	1,283	623
Total Other Revenue	1,860	11,415	9,555
TOTAL REVENUE	<u>89,952</u>	<u>117,641</u>	<u>27,689</u>
EXPENDITURES			
Legislative:			
Salaries & wages - township board	1,800	1,566	234
Auditing & legal fees	1,500	125	1,375
Dues	650	379	271
Total Legislative	3,950	2,070	1,880
Executive:			
Supervisor wages	6,000	6,000	-
Clerk:			
Salaries & wages	4,500	4,500	-
Office supplies	3,500	4,402	(902)
Printing	650	472	178
Travel	500	81	419
Total Clerk	9,150	9,455	(305)
Treasurer:			
Salaries & wages	5,500	5,500	-

TOWNSHIP OF ARGYLE, SANILAC COUNTY
GENERAL FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED MARCH 31, 2005

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES: (Continued)			
Election:			
Salaries & wages	\$ 2,000	\$ 1,430	\$ 570
Assessor fees	1,800	1,364	436
Township Hall & Grounds:			
Insurance	9,400	6,610	2,790
Utilities	2,000	1,593	407
Maintenance	1,200	527	673
Total Township Hall & Grounds	12,600	8,730	3,870
Planning & Zoning:			
Salaries & wages	4,000	5,499	(1,499)
Public Safety:			
Fire	11,974	7,571	4,403
Cemetery	650	580	70
Total Public Safety	12,624	8,151	4,473
Public Works:			
Street lighting	2,000	1,893	107
Drains at large	5,000	-	5,000
Park	2,500	2,045	455
Metro Act	3,620	3,620	-
Road construction	36,380	8,675	27,705
Total Public Works	49,500	16,233	33,267
Other Expenditures:			
Education	500	185	315
Capital Outlay - Fire equipment	1,000	35,000	(34,000)
FICA	1,350	1,358	(8)
Other	20,800	298	20,502
Total Other Expenditures	23,650	36,841	(13,191)
TOTAL EXPENDITURES	130,774	101,273	29,501
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(40,822)	16,368	57,190
FUND BALANCE - BEGINNING OF YEAR	183,566	183,566	-
FUND BALANCE - END OF YEAR	\$ 142,744	\$ 199,934	\$ 57,190

TOWNSHIP OF ARGYLE, SANILAC COUNTY
CURRENT TAX COLLECTION FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED MARCH 31, 2005

	<u>BALANCE MARCH 31, 2004</u>	<u>ADDITION</u>	<u>REDUCTION</u>	<u>BALANCE MARCH 31, 2005</u>
<u>ASSETS</u>				
Cash	\$ 10	-	-	\$ 10
Taxes Receivable	8,085	\$ 510,743	\$ 472,810	46,018
<u>TOTAL ASSETS</u>	<u>\$ 8,095</u>	<u>\$ 510,743</u>	<u>\$ 472,810</u>	<u>\$ 46,028</u>
 <u>LIABILITIES</u>				
Due to General Fund	\$ 6,144	\$ 59,043	\$ 56,692	\$ 3,793
Due to Road Fund	1,951	16,879	18,392	3,464
Due to other funds - other units	-	396,888	435,659	38,771
<u>TOTAL LIABILITIES</u>	<u>\$ 8,095</u>	<u>\$ 472,810</u>	<u>\$ 510,743</u>	<u>\$ 46,028</u>

See the accompanying notes.